

WC 10-122

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READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

Approved by OMB
3060-0589
Page No. 1 of 1

(1) LOCKBOX # 979091		SPECIAL USE ONLY	
POCKET FILE COPY ORIGINAL		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) GC Pivotal, LLC		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,015.00	
(4) STREET ADDRESS LINE NO. 1 3200 E. Camelback Road			
(5) STREET ADDRESS LINE NO. 2			
(6) CITY Phoenix		(7) STATE AZ	(8) ZIP CODE 85018
(9) DAYTIME TELEPHONE NUMBER (include area code) (602) 956-7200		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0019860030		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME			
(14) STREET ADDRESS LINE NO. 1			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY		(17) STATE	(18) ZIP CODE
(19) DAYTIME TELEPHONE NUMBER (include area code)		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0019860030		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$1,015.00	(27A) TOTAL FEE \$1,015.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1			

CERTIFICATE
the best
SIGNATURE

ACCOUNT
I hereby
SIGNATURE

PAID BY CREDIT CARD

PAID BY CREDIT CARD

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

Application of)	
)	
Global Capacity Group, Inc. and)	
Global Capacity Direct, LLC)	
)	
Assignors,)	
)	WC Docket No. _____
and)	
)	
GC Pivotal, LLC)	
)	
Assignee,)	
)	
For Consent to Assign Domestic Operating)	
Authority and Telecommunications Assets)	
Pursuant to Section 214 of the)	
Communications Act, as Amended)	

**APPLICATION FOR CONSENT TO ASSIGN DOMESTIC OPERATING AUTHORITY
AND TELECOMMUNICATIONS ASSETS**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 214, and Section 63.04 of the Commission’s rules, 47 C.F.R. § 63.04, Global Capacity Group, Inc. (“GCG”) and Global Capacity Direct, LLC (“GCD”) (collectively, the “Authorized Entities”) and GC Pivotal, LLC (“Pivotal”) hereby request Commission consent to assign the domestic operating authority and telecommunications assets held by the Authorized Entities, including their customer bases, to Pivotal. Each of the Authorized Entities is a non-dominant telecommunications carrier authorized by the Commission to provide domestic telecommunications services to the public. Following the consummation of the proposed transaction, these assets would be operated by Pivotal, under the same rates, terms, and conditions that presently apply. The proposed transaction would not result in any interruption in

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Application to Assign Domestic Section 214 Authority

service. Moreover, because neither Pivotal nor any of its affiliates provides domestic or international telecommunications services, the proposed transaction would not result in any consolidation of the markets for those services.

In support of this application, and in accordance with the requirements of Section 63.04, the parties provide the following information:

(1) Name, address, and telephone number of each applicant.

For GCG (Assignor):

Global Capacity Group, Inc.
200 S. Wacker Drive, Suite 1650
Chicago, Illinois 60606
(312) 660-5000

For GCD (Assignor):

Global Capacity Direct, LLC
200 S. Wacker Drive, Suite 1650
Chicago, Illinois 60606
(312) 660-5000

For Pivotal (Assignee):

GC Pivotal, LLC
3200 East Camelback Road, Suite 295
Phoenix, AZ 85018
(602) 956-7200

(2) State under the laws of which each applicant is organized.

GCG is incorporated in the State of Texas. GCD is a limited liability company formed under the laws of the State of Delaware. Pivotal also is a limited liability company formed under the laws of the State of Delaware.

- (3) **Legal counsel to whom correspondence concerning the application is to be addressed.**

For the Authorized Entities (Assignors):

M. Gavin McCarty
Shefsky & Froelich Ltd.
111 East Wacker Drive, Suite 2800
Chicago, IL 60601
Phone: (312) 836-4195
Fax: (312) 275-7569
gmccarty@shefskylaw.com

For Pivotal (Assignee):

Karen Brinkmann
Latham & Watkins LLP
555 Eleventh Street, NW, Suite 1000
Washington, DC 20004
Phone: (202) 637-2200
Fax: (202) 637-2201
karen.brinkmann@lw.com

- (4) **Name, address, citizenship, and principal business of entities that own at least 10 percent of the equity of the Assignee.**

- (a) The name, address, citizenship, and principal business of GC Pivotal, LLC ("Pivotal"), the proposed assignee, are as follows:

Name:	GC Pivotal, LLC
Principal Business:	Holding Company
Address:	3200 East Camelback Road, Suite 295 Phoenix, AZ 85018
Citizenship:	Delaware
Ownership Interest:	N/A

- (b) Pivotal is wholly owned by Pivotal Global Capacity, LLC. The name, address, citizenship, and principal business of Pivotal Global Capacity, LLC are as follows:

Name:	Pivotal Global Capacity, LLC
Principal Business:	Holding Company
Address:	3200 East Camelback Road, Suite 295 Phoenix, AZ 85018
Citizenship:	Arizona
Ownership Interest:	100 percent

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- (c) Pivotal Global Capacity, LLC is wholly-owned by FFN Investments, LLC (“FFN”). The name, address, citizenship, and principal business of FFN are as follows:

Name: FFN Investments, LLC
Principal Business: Management Company
Address: 3200 East Camelback Road, Suite 295
Phoenix, AZ 85018
Citizenship: Arizona
Ownership Interest: 100 percent

- (d) The name, address, citizenship, and principal business of the members of FFN are as follows:

Name: Najafi 2006 Irrevocable Trust
Richard Garner, Trustee¹
Principal Business: Trust
Address: 3200 East Camelback Road, Suite 295
Phoenix, AZ 85018
Citizenship: Arizona
Ownership Interest: 60 percent

Name: F. Francis Najafi Family Trust
F. Francis Najafi, Trustee²
Principal Business: Family Trust
Address: 3200 East Camelback Road, Suite 295
Phoenix, AZ 85018
Citizenship: Arizona
Ownership Interest: 40 percent³

¹ Richard Garner is a U.S. Citizen with the same business address as the Najafi 2006 Irrevocable Trust. His principal business is as an investment manager. F. Francis Najafi is the beneficiary of the Najafi 2006 Irrevocable Trust. Mr. Najafi is a U.S. citizen and also can be reached at the same business address as the Najafi 2006 Irrevocable Trust. His principal business also is as an investment manager.

² Information about Mr. Najafi is provided above in footnote 1. The beneficiaries of the F. Francis Najafi Family Trust are Mr. Najafi’s children, each of which is a minor not yet entitled to receive any distributions from the Trust.

³ This ownership interest reflects a 30 percent interest held directly in FFN, as well as a 10 percent interest held indirectly in FFN through Pivotal Capital Corporation.

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Name: Pivotal Capital Corporation
Principal Business: Management Company
Address: 3200 East Camelback Road, Suite 295
Phoenix, AZ 85018
Citizenship: Arizona
Ownership Interest: 10 percent

(e) Pivotal Capital Corporation is wholly owned by the F. Francis Najafi Family Trust, the details of which are provided above.

(5) Certification pursuant to sections 1.2001 through 1.2003 of the Commission's rules that no party to the application is subject to a denial of Federal benefits.

By their signatures below, each of the Authorized Entities and Pivotal certify that no party to this Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(6) Description of the transaction.

(a) The Authorized Entities

Global Capacity Group, Inc. ("GCG"), a Texas corporation with principal offices located at 200 S. Wacker Drive, Suite 1650, Chicago, Illinois 60606, delivers telecommunications logistics solutions to a global client set consisting of systems integrators, telecommunications companies and enterprise customers. GCG holds blanket domestic Section 214 authority, and provides international services pursuant to international Section 214 authority held by its parent, Global Capacity Holdco, LLC ("GC Holdco"). GCG also is authorized to provide resold and facilities-based local exchange and interexchange services in Alabama, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oregon, Pennsylvania, Rhode Island, South Dakota, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin and Wyoming.

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Global Capacity Direct, LLC ("GCD") is a Delaware limited liability company with principal offices also located at 200 S. Wacker Drive, Suite 1650, Chicago, Illinois 60606. GCD holds blanket domestic Section 214 authority, and provides international services pursuant to international Section 214 authority held by its indirect parent, GC Holdco. GCD also is authorized to provide intrastate telecommunications services in Alabama, Arkansas, California, Delaware, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Washington and Wisconsin.

GCG and GCD currently are indirect, wholly-owned subsidiaries of Capital Growth Systems, Inc. ("CGSI").⁴ CGSI is a publicly-traded Florida corporation with principal offices located at 200 South Wacker Drive, Suite 1650, Chicago, Illinois 60606. CGSI's principal business activities involve the delivery of network logistics solutions that enable customers to optimize and manage their complex global networks, resulting in improved efficiency, reduced cost, and simplified operations.

(b) Pivotal

GC Pivotal, LLC ("Pivotal") is a newly-formed operating company formed to facilitate the ability of its indirect parent, FFN, to acquire the telecommunications assets currently held by the Authorized Entities and then operate those assets. As discussed above, FFN is a management company owned and controlled by a series of trusts formed for the benefit of F. Francis Najafi and his family members.

⁴ More specifically, GCG and GCD are direct, wholly-owned subsidiaries of GC Holdco, a Delaware limited liability company that operates as a holding company and maintains the

(c) Description of the Proposed Transaction

The Authorized Entities and their affiliates are party to a series of Pledge Agreements, and a Term Loan and Security Agreement, each dated as of November 19, 2008. The original lender's rights under those agreements subsequently were assigned to Pivotal Global Capacity, LLC. Among other things, those rights permit Pivotal Global Capacity, LLC to foreclose on the telecommunications assets held by the Authorized Entities if certain repayment conditions are not met. Pivotal Global Capacity, LLC has the right to foreclose on those assets. Accordingly, the parties are seeking Commission approval to assign those assets, and the domestic Section 214 authority necessary to operate them, to Pivotal.

Upon foreclosure, the proposed assignment from GCG and GCD to Pivotal would have no adverse impact on customers. Customers would continue to receive their existing services at the same rates, terms and conditions as at present. If any future changes to the rates, terms and conditions of service are made, those changes would be made consistent with Commission requirements. Pivotal would provide advance written notice to the Customers at least thirty (30) days prior to the transfer. The advance written notice would explain the change in service provider in accordance with applicable Commission and state requirements for a transaction of this type. To comply with the Commission's slamming requirements, Pivotal would file the required notice with the Commission in CC Docket No. 00-257 pursuant to Section 64.1120(e) of the Commission's rules, 47 C.F.R. § 64.1120(e). The assignment of assets upon foreclosure would be contingent upon the receipt of the required regulatory approvals among other things

Exhibit A depicts the pre-transaction organizational structure of the Authorized Entities, and the post-transaction organizational structure of Pivotal.

same address and telephone number as GCG. GC Holdco, in turn, is a direct, wholly-

- (7) **Description of the geographic areas in which the Authorized Entities and Pivotal (and their affiliates) offer domestic telecommunications services, and what services are provided in each area.**

The services currently provided by the Authorized Entities are described above.

No other affiliate of the Authorized Entities provides domestic or international telecommunications services. No affiliate of Pivotal currently provides domestic or international telecommunications services. Following the consummation of the proposed transaction, Pivotal would provide telecommunications services consistent with those currently provided by the Authorized Entities.

- (8) **Statement on how the application fits into one or more of the presumptive streamlined categories or why it is otherwise appropriate for streamlined treatment.**

This application is eligible for streamlined processing because neither Pivotal nor any affiliate of Pivotal is a telecommunications provider. *See* 47 C.F.R. § 63.03(b)(1)(ii).

- (9) **Identification of all other Commission applications related to the same transaction.**

The parties are filing separate applications to assign the international Section 214 authorizations used by the Authorized Entities to Pivotal. These authorizations are held by GC Holdco—the direct parent of GCG and the indirect parent of GCD. The Commission was notified of the *pro forma* assignment of these authorizations from the Authorized Entities to GC Holdco on May 21, 2010.

- (10) **Statement whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure.**

The parties are not seeking any such special consideration.

owned subsidiary of CGSI.

- (11) **Identification of any separately filed waiver requests being sought in conjunction with the transaction.**

The parties are not seeking any waiver in conjunction with the proposed transaction.

- (12) **A statement showing how grant of the application will serve the public interest, convenience, and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets.**

Grant of this application would serve the public interest, convenience, and necessity by facilitating the assignment of the telecommunications assets of the Authorized Entities, including their customer bases, to Pivotal, which has the financial strength and resources to ensure continuity of service to the existing customers of the Authorized Entities. Absent this assignment, the Authorized Entities would be in financial distress, and possibly would be liquidated—both of which would place that continuity of service in jeopardy. Thus, the proposed transaction is necessary to ensure that there is no interruption of service to customers. In fact, the proposed transaction would not affect the day-to-day service that they receive and would be offered on the same terms as presently in place and in accordance with Commission rules as stated above. Moreover, the proposed transaction would not result in the consolidation of any domestic telecommunications market, or otherwise have an adverse impact on competition in any such market.

* * * * *

For the reasons set forth herein, the parties request that the Commission grant this application in an expedited manner.

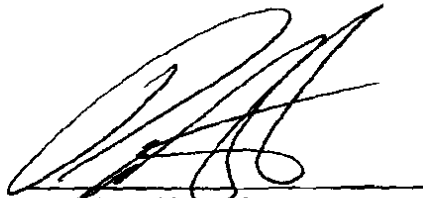
Dated: May 21, 2010

Respectfully submitted:

[SIGNATURE PAGES FOLLOW]

**Global Capacity-Pivotal
Application to Assign Domestic Section 214 Authority**

For Global Capacity Group, Inc.:

A handwritten signature in black ink, appearing to be 'P. Shutt', written over a horizontal line.

**Patrick C. Shutt, CEO
Global Capacity Group, Inc.
200 S. Wacker Drive, Suite 1650
Chicago, Illinois 60606
(312) 660-5000**

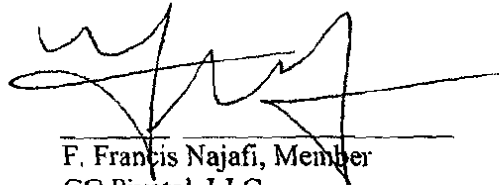
For Global Capacity Direct, LLC:

A handwritten signature in black ink, appearing to be 'P. Shutt', written over a horizontal line.

**Patrick C. Shutt, CEO
Global Capacity Direct, LLC
200 S. Wacker Drive, Suite 1650
Chicago, Illinois 60606
(312) 660-5000**

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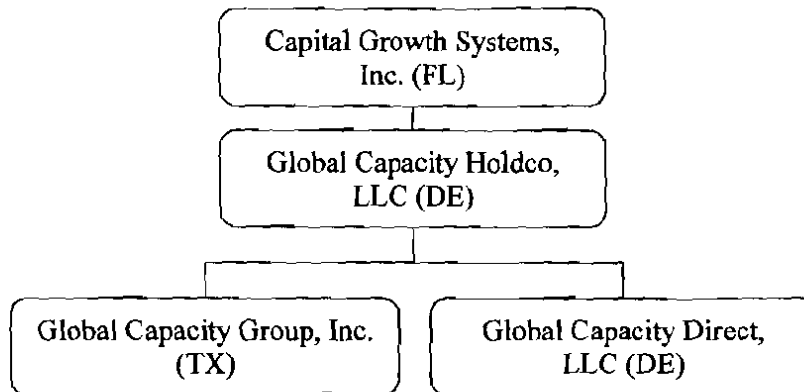
For GC Pivotal, LLC:

A handwritten signature in black ink, appearing to read 'F. Francis Najafi', is written over a horizontal line.

F. Francis Najafi, Member
GC Pivotal, LLC
3200 East Camelback Road, Suite 295
Phoenix, AZ 85018
(602) 956-7200

Exhibit A

Pre-Transaction Ownership of the Authorized Entities



Post-Transaction Ownership of Pivotal

